

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1097 be amended to read as follows:

- 1 Page 2, between lines 6 and 7, begin a new paragraph and insert:
- 2 "SECTION 2. IC 6-1.1-17-1 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) On or before
- 4 August 1 of each year, the county auditor shall send a certified
- 5 statement, under the seal of the board of county commissioners, to the
- 6 fiscal officer of each political subdivision of the county and the
- 7 department of local government finance. The statement shall contain:
- 8 (1) information concerning the assessed valuation in the political
- 9 subdivision for the next calendar year;
- 10 (2) an estimate of the taxes to be distributed to the political
- 11 subdivision during the last six (6) months of the current calendar
- 12 year;
- 13 (3) the current assessed valuation as shown on the abstract of
- 14 charges;
- 15 (4) the average growth in assessed valuation in the political
- 16 subdivision over the preceding three (3) budget years, excluding
- 17 years in which a general reassessment occurs, determined
- 18 according to procedures established by the department of local
- 19 government finance; ~~and~~
- 20 **(5) information concerning credits applicable under**
- 21 **IC 6-1.1-21-5.8 to taxes first due and payable in the next**
- 22 **calendar year; and**
- 23 ~~(5)~~ **(6)** any other information at the disposal of the county auditor
- 24 that might affect the assessed value used in the budget adoption
- 25 process.

(b) The estimate of taxes to be distributed shall be based on:

(1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and

(2) any other information at the disposal of the county auditor which might affect the estimate.

(c) The fiscal officer of each political subdivision shall present the county auditor's statement to the proper officers of the political subdivision.

(d) The officers of a political subdivision shall adjust the assessed value used in setting rates for the taxes first due and payable in a calendar year in which credits apply under IC 6-1.1-21-5.8 to eliminate or minimize levy reductions that would otherwise result from the application of those credits.

SECTION 3. IC 6-1.1-21-5.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 5.8. (a) The following definitions apply throughout this section:**

(1) "Adjusted gross income" has the meaning set forth in IC 6-3-1-3.5.

(2) "Assets":

(A) includes:

(i) real property, other than the homestead with respect to which a qualifying individual applies for a credit under this section;

(ii) cash;

(iii) savings accounts;

(iv) stocks;

(v) bonds; and

(vi) any other investment; and

(B) does not include:

(i) the cash value of life insurance policies on the life of the qualifying individual or the qualifying individual's spouse; and

(ii) tangible personal property.

(3) "Dwelling" has the meaning set forth in IC 6-1.1-20.9-1(1).

(4) "Homestead" has the meaning set forth in IC 6-1.1-20.9-1(2).

(5) "Household income" means the combined adjusted gross income of the qualifying individual and the individual's spouse.

(6) "Net property tax bill" means the amount of property taxes currently due and payable in a particular calendar year after the application of all deductions and credits, except for the credit provided by this section, as evidenced by the tax statement referred to in IC 6-1.1-22-8.

1 (7) "Net worth" means the remainder of:

2 (A) the sum of the current market value of all assets; minus

3 (B) all outstanding liabilities.

4 (8) "Qualifying homestead" means a homestead:

5 (A) that a qualifying individual owned; or

6 (B) on which a qualifying individual assumed liability for
7 the payment of property taxes;

8 at least five (5) years before the assessment date for the
9 homestead in the year for which the individual wishes to
10 obtain the credit under this section, and that has an assessed
11 value of not more than one hundred eighty thousand dollars
12 (\$180,000) as of the assessment date for the homestead in the
13 year that immediately precedes the year for which the
14 individual wishes to obtain the credit under this section.

15 (9) "Qualifying individual" means an individual who:

16 (A) is liable for the payment of property taxes on a
17 qualifying homestead; and

18 (B) is not married and has a net worth, or has a net worth
19 in combination with the net worth of the individual's
20 spouse, of less than two hundred thousand dollars
21 (\$200,000) as of December 31 of:

22 (i) with respect to real property, the year that precedes
23 by two (2) years the year for which the individual wishes
24 to obtain the credit under this section; and

25 (ii) with respect to a mobile home that is not assessed as
26 real property or a manufactured home that is not
27 assessed as real property, the year that immediately
28 precedes the year for which the individual wishes to
29 obtain the credit under this section.

30 (10) "Taxable year" has the meaning set forth in IC 6-3-1-16.

31 (b) Except as provided in subsection (c), each year a qualifying
32 individual may receive a credit against the net property tax bill on
33 the individual's qualifying homestead. The amount of the credit to
34 which a qualifying individual is entitled equals the lesser of two
35 thousand dollars (\$2,000) or the remainder of:

36 (1) the amount of the net property tax bill without the
37 application of the credit provided by this section; minus

38 (2) the following percentage of the qualifying individual's
39 adjusted gross income for the qualifying individual's most
40 recent taxable year that ends before the date on which the
41 claim is filed under subsection (d):

42 (A) Five percent (5%) if the adjusted gross income is less
43 than twenty thousand dollars (\$20,000).

44 (B) Seven percent (7%) if the adjusted gross income is at
45 least twenty thousand dollars (\$20,000) but less than fifty
46 thousand dollars (\$50,000).

1 (C) Nine percent (9%) if the adjusted gross income is at
 2 least fifty thousand dollars (\$50,000) but less than
 3 seventy-five thousand dollars (\$75,000).

4 (c) If the qualifying individual resides in the qualifying
 5 homestead with the individual's spouse, the qualifying individual
 6 and the qualifying individual's spouse are together entitled to one
 7 (1) credit under this section for the qualifying homestead. The
 8 amount of the credit is determined under subsection (b), except
 9 that the household income is substituted for the qualifying
 10 individual's adjusted gross income.

11 (d) An individual or an individual and the individual's spouse
 12 who desire to claim the credit provided by this section must file a
 13 certified statement in duplicate, on forms prescribed by the
 14 department of local government finance, with the auditor of the
 15 county in which the qualifying homestead is located. With respect
 16 to real property, the statement must be filed after January 1 and
 17 before May 11 of the year before the year for which the individual
 18 wishes to obtain the credit under this section. For a mobile home
 19 that is not assessed as real property or a manufactured home that
 20 is not assessed as real property, the statement must be filed after
 21 January 1 and before March 2 of the year for which the individual
 22 wishes to obtain the credit under this section. The statement must
 23 contain the following information:

24 (1) The full name and complete address of the qualifying
 25 individual or the full names and complete address of the
 26 qualifying individual and the individual's spouse.

27 (2) A description of the qualifying homestead.

28 (3) The amount of:

29 (A) the qualifying individual's adjusted gross income
 30 referred to in subsection (b)(2); or

31 (B) if subsection (c) applies, the household income referred
 32 to in subsection (c) of the qualifying individual and the
 33 individual's spouse.

34 (4) The name of any other county and township in which the
 35 qualifying individual or the individual's spouse owns or is
 36 buying on contract:

37 (A) real property; or

38 (B) a:

39 (i) mobile home; or

40 (ii) manufactured home;

41 that is not assessed as real property.

42 (5) The record number and page where the contract or
 43 memorandum of the contract is recorded if the qualifying
 44 homestead is under contract purchase.

45 (6) Proof of net worth as of the date specified in subsection
 46 (a)(9)(B):

(A) in a form determined by the department of local government finance; and

(B) including:

(i) income tax returns or other evidence detailing gross income; and

(ii) other documentation as determined by the department of local government finance.

(7) Any other information required by the department of local government finance.

(e) If:

(1) a qualifying individual or the qualifying individual and the qualifying individual's spouse file a statement under subsection (d); and

(2) the qualifying individual or the qualifying individual's spouse owns or is buying property described in subsection (d)(4);

the auditor of the county in which the statement is filed under subdivision (1) shall immediately prepare and transmit a copy of the statement to the auditor of the county in which the property described in subsection (d)(4) is located. The auditor of the county described in subsection (d)(4) shall note on the copy of the statement whether a credit has been claimed under this section for a qualifying homestead located in the auditor's county. The auditor shall then return the copy to the auditor of the first county.

(f) If a proper credit statement is filed under subsection (d), the county auditor shall allow the credit and shall apply the credit equally against each installment of property taxes. The county auditor shall include the amount of the credit applied against each installment of property taxes on the tax statement required under IC 6-1.1-22-8.

(g) If an individual knowingly or intentionally files a false statement under this section, the individual must pay the amount of any credit the individual received because of the false statement, plus interest at the rate of ten percent (10%) per year, to the county auditor for distribution to the taxing units of the county in the same proportion that property taxes are distributed.

SECTION 4. IC 6-1.1-21-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) Notwithstanding IC 6-1.1-26, any taxpayer who is entitled to a credit under this chapter or who has properly filed for and is entitled to a credit under IC 6-1.1-20.9, and who, without taking the credit, pays in full the taxes to which the credit applies, is entitled to a refund, without interest, of an amount equal to the amount of the credit. However, if the taxpayer, at the time a refund is claimed, owes any other taxes, interest, or penalties payable to the county treasurer to whom the taxes subject to the credit were paid, then the credit shall be first applied in full or partial payment of the other taxes, interest, and penalties and the

1 balance, if any, remaining after that application is available as a refund
2 to the taxpayer.

3 (b) Any taxpayer entitled to a refund under this section **other than**
4 **a refund based on the credit under section 5.8 of this chapter** shall
5 be paid that refund from proceeds of the property tax replacement fund.
6 However, with respect to any refund attributable to a homestead credit,
7 the refund shall be paid from that fund only to the extent that the
8 percentage homestead credit the taxpayer was entitled to receive for a
9 year does not exceed the percentage credit allowed in
10 IC 6-1.1-20.9-2(d) for that same year. Any refund in excess of that
11 amount shall be paid from the county's revenue distributions received
12 under IC 6-3.5-6.

13 (c) The state board of accounts shall establish an appropriate
14 procedure to simplify and expedite the method for claiming these
15 refunds and for the payments thereof, as provided for in this section,
16 which procedure is the exclusive procedure for the processing of the
17 refunds. The procedure shall, however, require the filing of claims for
18 the refunds by not later than June 1 of the year following the payment
19 of the taxes to which the credit applied."

20 Page 3, after line 8, begin a new paragraph and insert:

21 "SECTION 5. [EFFECTIVE UPON PASSAGE] **IC 6-1.1-21-5.8,**
22 **as added by this act, applies only to property taxes first due and**
23 **payable after December 31, 2005.**

24 SECTION 6. **An emergency is declared for this act."**

25 Renumber all SECTIONS consecutively.

(Reference is to HB 1097 as printed January 14, 2005.)

Representative Orentlicher